

190

Memorandum for:

The attached package was delivered to John Kelly, Principal DAS to Richard Burt, in support of Secretary Shultz's upcoming trip to Madrid.

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- 1 - [redacted]
- 1 - DDI
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- 1 - CM file
- 1 - Division File

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31 August 1983

MEMORANDUM

Spanish-US Relations

Prime Minister Gonzalez and his political intimates -- especially National Security Adviser Juan Antonio Yanez and Finance Minister Boyer -- place high value on good relations with Washington. This sentiment was evident in the Socialist government's prompt ratification of the US-Spanish treaty earlier this year. Only on Central America has Gonzalez even approached conflict with the US. And even on that count his criticism of US policy has been limited and general, apart from urging support for the Contadora initiative. In recent months Gonzalez has stepped back from incipient involvement as a mediator in Central America. We believe he fully understands the complexity of the region's problems and the nature of the Sandinista regime, and he does not, in our view, wish to launch a quixotic peace initiative promising little more than sour relations with this country. []

Foreign Minister Moran is, we think, less convinced than Gonzalez of the need for close US-Spanish ties. Quasi-neutrality still colors his thinking, finding expression in his frequent assertion that Spain must preserve a "sphere of autonomy," even though it belongs to the Western Alliance. This helps explain his pique at the organization of a NATO luncheon during the CSCE closing ceremonies. Moran would like to portray the Spanish initiative that ended the Conference as an instance of Spain's transcending its membership in the "Western bloc" and helping to ease tensions in Europe. We think he sees NATO as at best a necessary evil, whose presence at the closing ceremonies subtly contradicts the CSCE's goals. []

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To be sure, the Foreign Minister does not have the last word on major policy matters. Gonzalez clearly makes the key decisions on relations with the United States, NATO, and the EC. Nevertheless, Gonzalez cannot ignore Moran's ambiguity on the question of Spain's relation to the West, since it reflects a sentiment widespread within the Socialist Party itself.

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We believe Gonzalez, therefore, feels compelled for now to exhibit "balance" in Spain's relations with the US. For every step he takes toward fuller cooperation with the Alliance and closer ties to the United States, he feels compelled to take another designed to convince the left that Spanish "autonomy" is not being sacrificed. These steps may be rhetorical -- such as criticizing US policy toward Central America -- or more concrete. The recent denial of transit rights for Bright Star aircraft, for example, may have stemmed from the government's desire to assert its independence -- even as it inches closer to NATO through a campaign to educate the public about the Alliance.

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We expect that as Madrid becomes more explicit in its support for continued Alliance membership in the coming months, it will feel an even greater need to demonstrate its sovereignty with occasional digs at Washington. These actions could periodically strain US-Spanish relations. Gonzalez would view them, however, as domestic political gestures that are necessary if he is to succeed in what he has told US officials are his long-term aims: strengthening ties to this country and remaining in NATO.

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31 August 1983

MEMORANDUM

Malta: Mouse-That-Roars Foreign Policy

"The Island of Malta has challenged the superpowers again by threatening to sabotage East-West agreement in Madrid because it believes the Mediterranean has been overlooked in the pursuit of detente." This quote from The Times of Malta probably delighted Prime Minister Dom Mintoff, who thrives on publicity that depicts his country as a David among the Goliaths of the world, fighting tenaciously for its rights. [REDACTED]

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CSCE: The Most Recent Stage

Malta has most recently used spoiler tactics at the CSCE conference in Madrid, by refusing to sign the concluding document because the Maltese want a separate meeting on military security in the Mediterranean. They apparently intend by their histrionics to wring out a last drop of diplomatic or economic advantage -- or failing that, world attention. [REDACTED]

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Sympathy has been scarce for Malta among diplomats, however, since they have been unable to bring the conference to a close. Representatives from East and West and from neutral countries have denounced publicly Malta's "diplomatic terrorism." But Maltese filibustering is part of security conference folklore. At both the 1975 Helsinki meeting and the 1978 follow-up meeting, Malta held out for and won acceptance of statements dealing with security in the Mediterranean region. This time, however, they have upped the stakes and have asked for a separate meeting on Mediterranean military security that would be attended by surrounding states, including Syria, Libya, and Israel. [REDACTED]

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The Denouement

After heavy pressure from both East and West, the Maltese may be forced to settle for less or lose their meager reserves of good will. According to Embassy reporting, a Maltese spokesman conceded at one point that "We Maltese consider ourselves the masters of bluff. But I am not sure that bluff is working too well for us in this negotiation." Among the various possible face-saving proposals is one attributed to Malta's foreign [REDACTED]

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minister that Valletta would be willing to join a CSCE consensus and accept the concluding document if it contained a specific reference to Maltese neutrality. Even if Malta suffers a diplomatic "defeat," however, it is likely that the episode will bolster Mintoff's domestic power base. [redacted] 25X1

The Plot of the Drama

We believe that Malta's frequently unpredictable and often infuriating political and diplomatic behavior has its roots in Maltese society and even more in the personality of Mintoff. The islands' history and culture have conditioned the populace to seek strong, even dictatorial leaders. The authoritarian Mintoff, whatever the impression he makes on the outside world, fills the bill. He has taken the historical legacy of Malta's crucial help to the Allied cause during World War II -- for which many Maltese believe they can never be adequately repaid -- and the geographic reality of the islands' strategic location in the middle of the Mediterranean, and woven them into a grandiose estimate of Malta's value to the rest of the world. [redacted] 25X1

[redacted]

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Embassy and press reports indicate that the Maltese like the idea that their country should not be discounted when the big powers are making decisions that affect them. Mintoff and Malta's foreign policy are one and the same. We believe that as long as he is Prime Minister, the islands' relations with other countries will probably be marked by further displays of Maltese independence, attempts to gain as much financial aid as possible, and more grandstanding. [redacted] 25X1

There are signs, however, that both East and West are growing tired of Mintoff's incessant demands for more money and special consideration, especially since these demands are often bereft of diplomatic niceties. His approach, frequently based on inflexible and "non-negotiable" demands, deadlines, and ultimatums, has wearied those who deal with him or with his representatives at the negotiating table. [redacted] 25X1

In the European Community, for instance, Mintoff has been trying for several years to arrange a new financial protocol that would include specialized trade and aid benefits. He has publicly suggested that only a greater European commitment to Malta can offset the attraction of radical Arab or East European friends. According to US officials, the West Europeans have been more irritated than alarmed and find it hard to take Malta's proclaimed neutrality very seriously when Mintoff is constantly threatening to trade it in exchange for economic benefits. [redacted] 25X1

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